

FISCAL NOTE

HB 2849 - SB 3346

March 4, 2008

SUMMARY OF BILL: Requires insurance carriers to provide coverage for formula when used as the sole source of nutrition.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

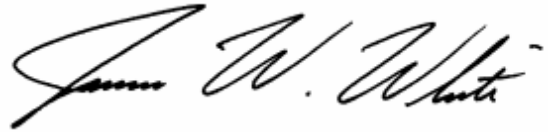
Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums for individuals who supplement their current plans to include nutritional formula for newborns coverage. The overall impact on health insurance premiums is estimated to be not significant.

Assumptions:

- Any cost to the Department of Commerce and Insurance for the review of forms, policies, certificates and contracts for compliance will not be significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The Bureau of TennCare reimburses for nutritional formula on a medically necessary basis which will not be impacted due to the provisions of this bill.
- If children in the CoverKids program are impacted, the result would be an increase in benefit payments and consequently premiums. Such would require a change in the Title XXI SCHIP Plan, subject to the Centers for Medicare and Medicaid Services (CMS) review and a discussion with the insurance company to determine the impact on the monthly premium. Such is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml